

Timely Return to Work: Recent Findings

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Results Are Preliminary & Subject to Change



Six-State Comparison Study

- Funded by California CHSWC, NIOSH, New Mexico
- Comparing Economic Outcomes for Injured Workers in Six States:
 - CA, FL, NM, OR, WA, WI
- Examining earnings losses, benefit adequacy, disability ratings, return to work
- Report expected in summer 2001



Importance of Multi-state Studies

- Identify best states
- Identify candidates for improvement
- Identify system features that
 - Facilitate RTW
 - Impede RTW



Benefits of Timely Return

- To workers
 - Current earnings increase
 - Less likely to lose job
 - Better work history → more attractive to future employers
- To employers
 - WC payments reduced
 - Skilled & experienced workers retained
 - Hiring & training costs reduced



If RTW is Too Early

- Greater risk of poor healing or re-injury
- Discomfort or pain
 - Can lead worker to quit
 - Reduces productivity ==>
 - Can lead to layoff/replacement



Outline of Presentation

- Interstate comparisons:
background & overall comparisons
 - Describe new measures of RTW
 - Compare RTW among states
 - Show impact on duration of
return to at-injury employer
- *Return to work for PPD cases*



Measuring RTW Duration

- Most common: length of TTD benefits
 - Easily measured
 - Captures employer WC costs
 - Captures workers' costs of short-term injuries
- Primary weakness
 - Doesn't count time loss after TTD ends

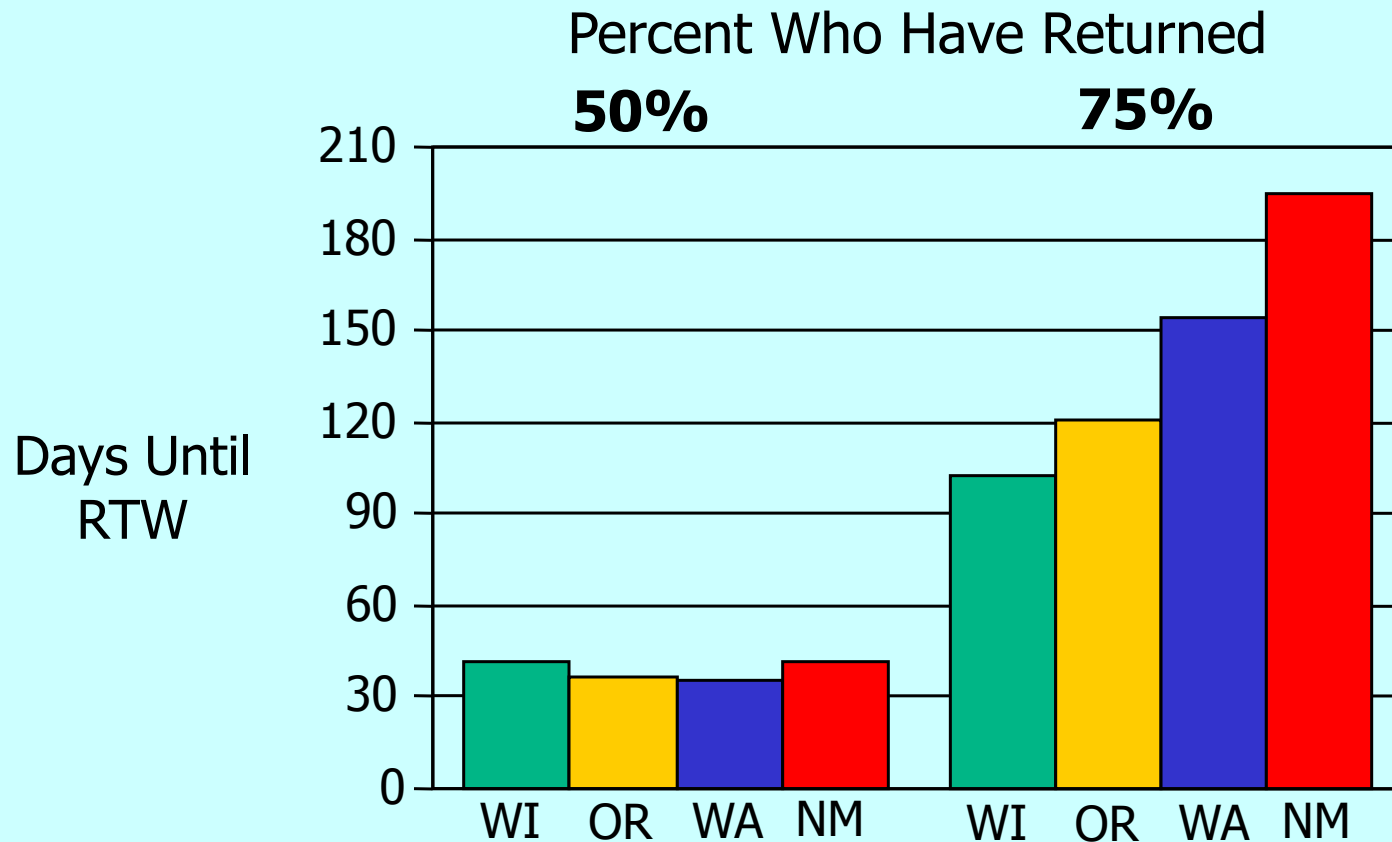


Our Measure of RTW

- Provisional date: end of TDD benefits
- If worker lacks earnings when TTD ends, place RTW in next period with wages¹

¹Galizzi & Boden (1996)

States Differ on Time to RTW



Preliminary. Subject to Change.



Longer Durations Lead to Higher Losses: WI

	<i>Percent</i>	
	<u>Claims</u>	<u>Earnings Losses</u>
<=30 days	39	3
>30 days	61	97

Preliminary. Subject to Change.

Dilbert Comments on RTW



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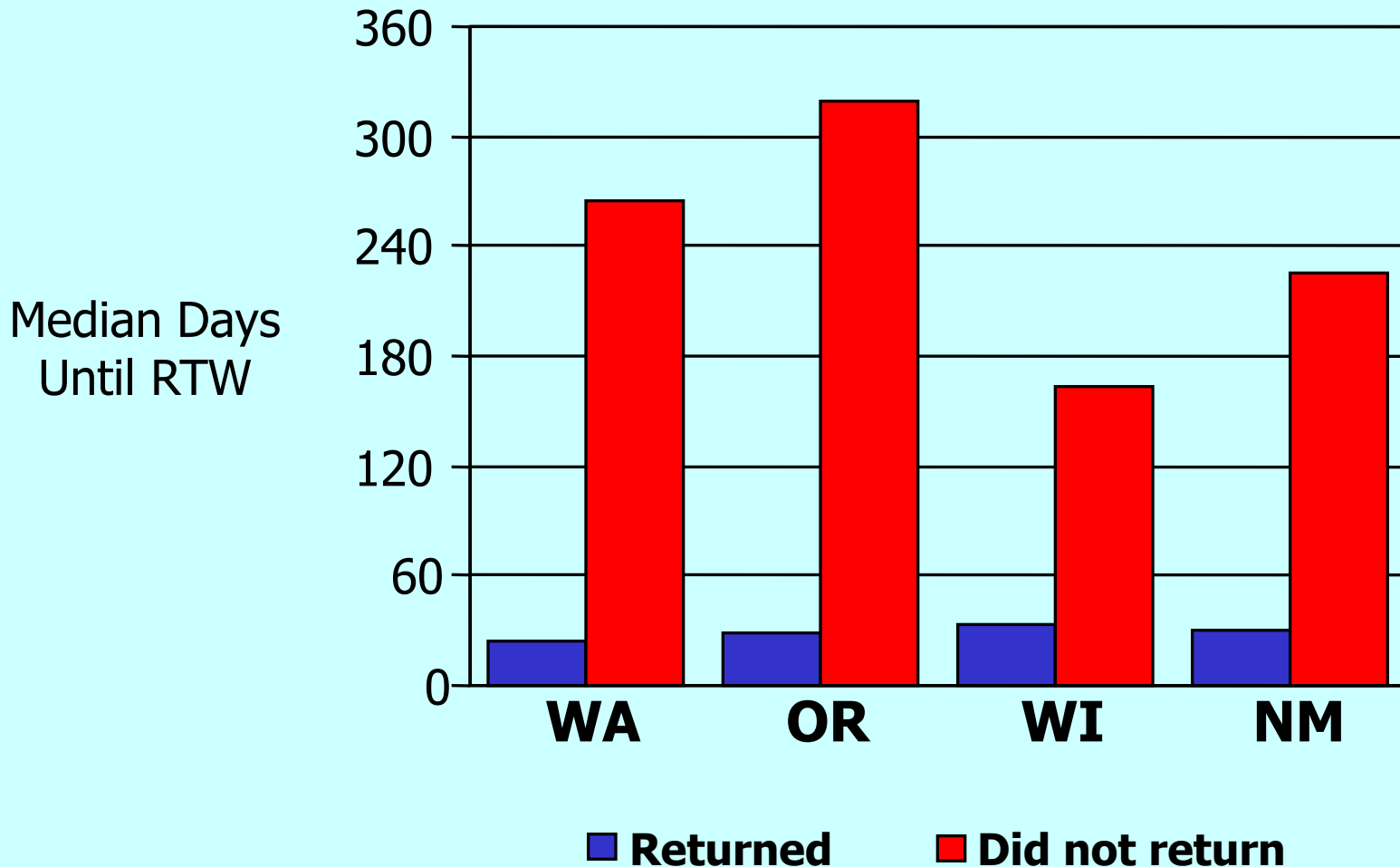
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Return to At-Injury Employer Reduces Time Off Work



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Outline

- *Interstate comparisons:
background & overall comparisons*
- Return to Work of PPD Claimants
 - The CHSWC PPD Project
 - Wage Losses and Return to Work
 - Interstate comparisons of RTW: PPD Claimants
 - Conclusion



The CHSWC PPD Project

- Purpose of the project
 - Determine extent to which current PPD system meets goals and objectives
 - Identify and evaluate changes that would help PPD system better achieve those goals
- Provide quantitative and qualitative description of the system
- Work with WC community to build consensus for reforms

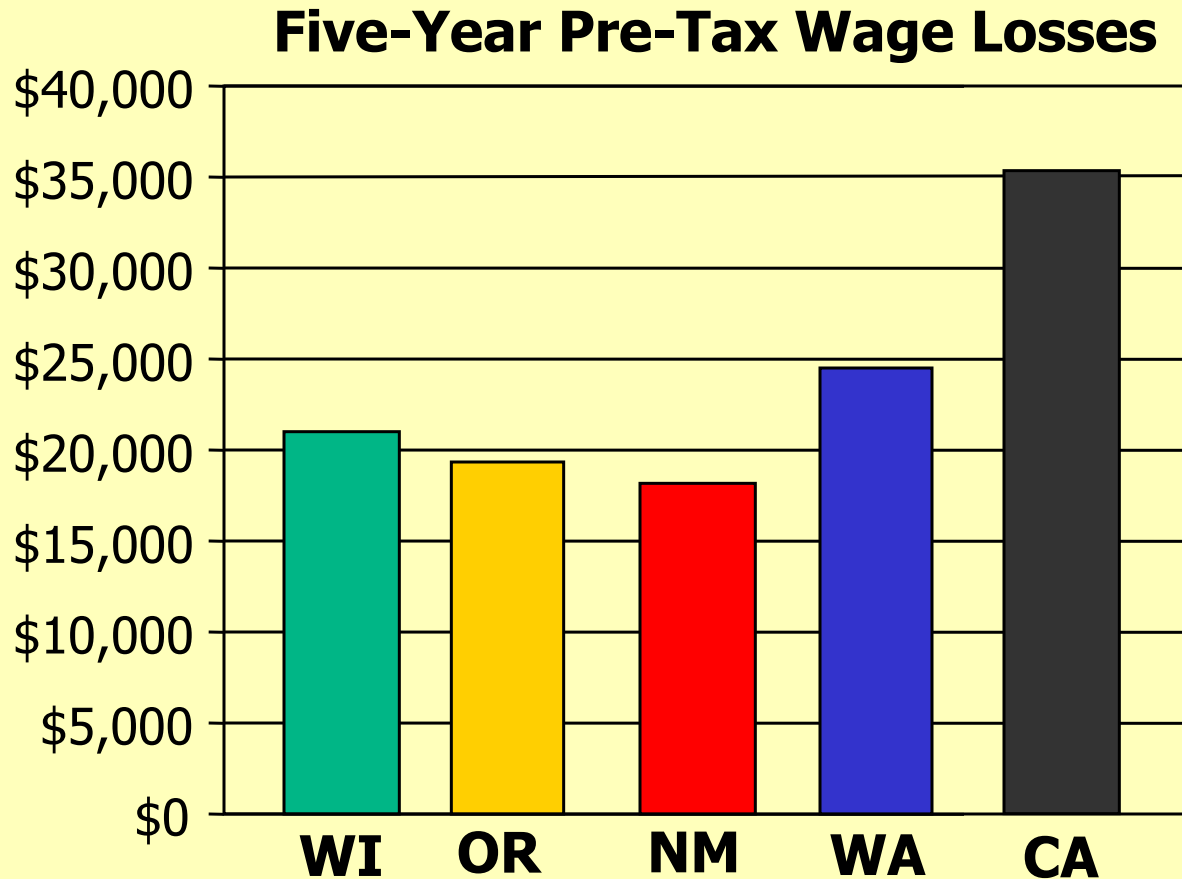


Wage-Loss Studies

- Examining the economic consequences of a disabling workplace injury
 - Assess the adequacy of benefits
 - Evaluate disability ratings
 - Gauge success of return-to-work
- Comparing the earnings of PPD claimants after injury to uninjured workers who worked at the same firm
 - Follow both groups for several years after the injury



Wage Losses Are Higher in California



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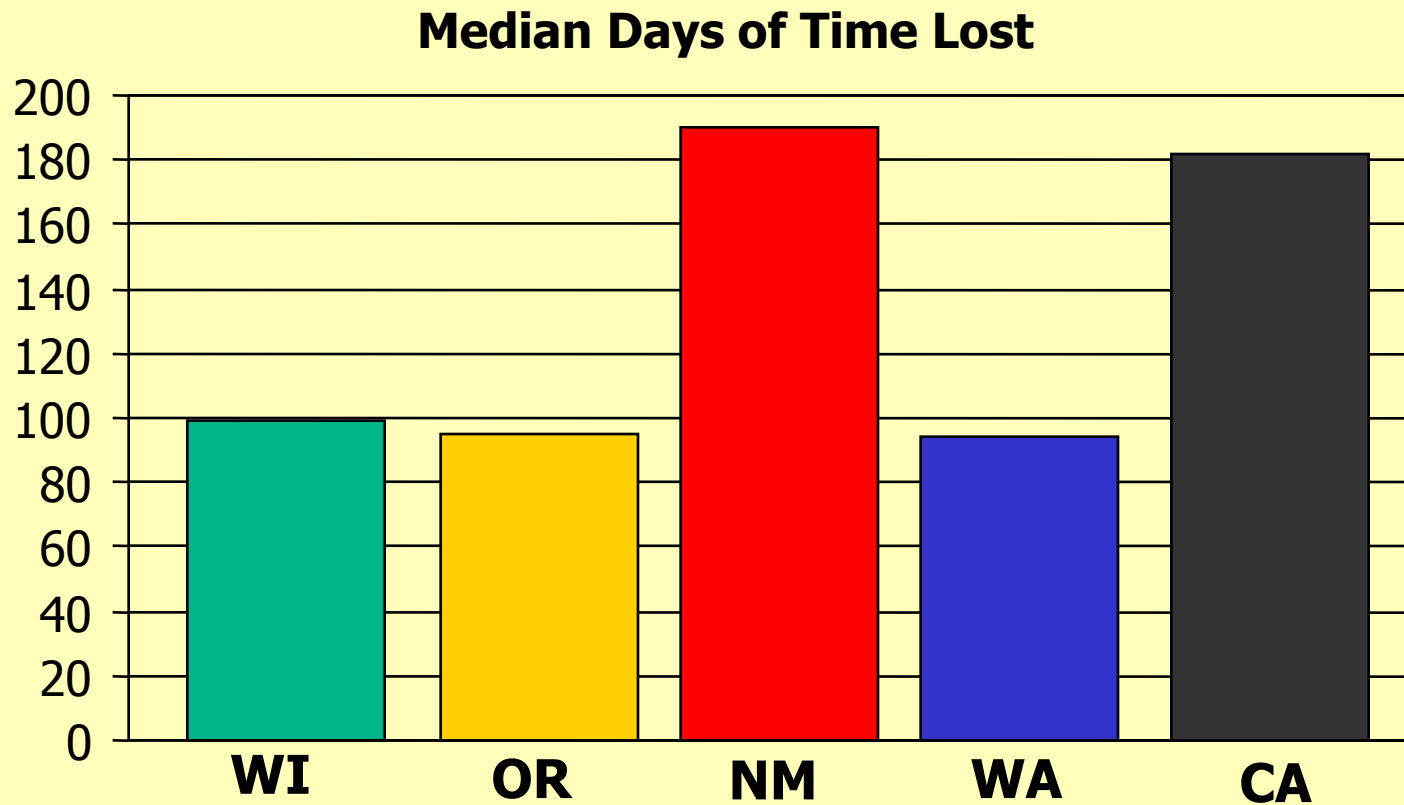


WC Benefits Partly Replace Earnings Losses

- In California, over five years after injury, workers receive about \$17,000 in indemnity benefits
 - TTD, PD, VRMA
 - Replaces about half of pre-tax earnings losses
- Would replace most or all of losses in WI, NM, OR, and WA
- Why are earnings losses so much larger in California?



California PPD Claimants Have More Lost Time After Injury



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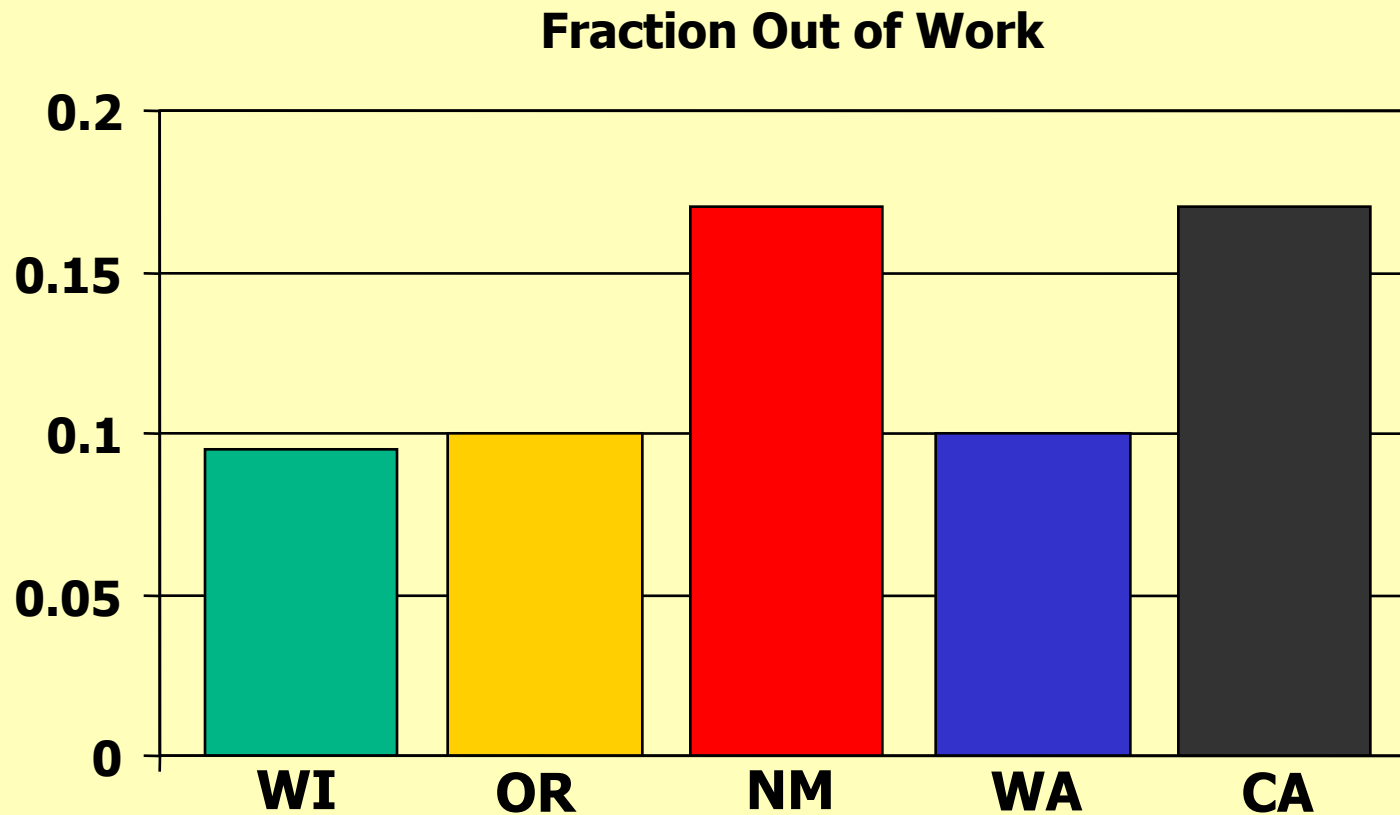


Time Out of Work for PPD Claimants Does Not End With First Return

- May not return to the at-injury employer
- May experience subsequent spells of time out of work
- May drop out of the labor force
- How does California compare using other measures?

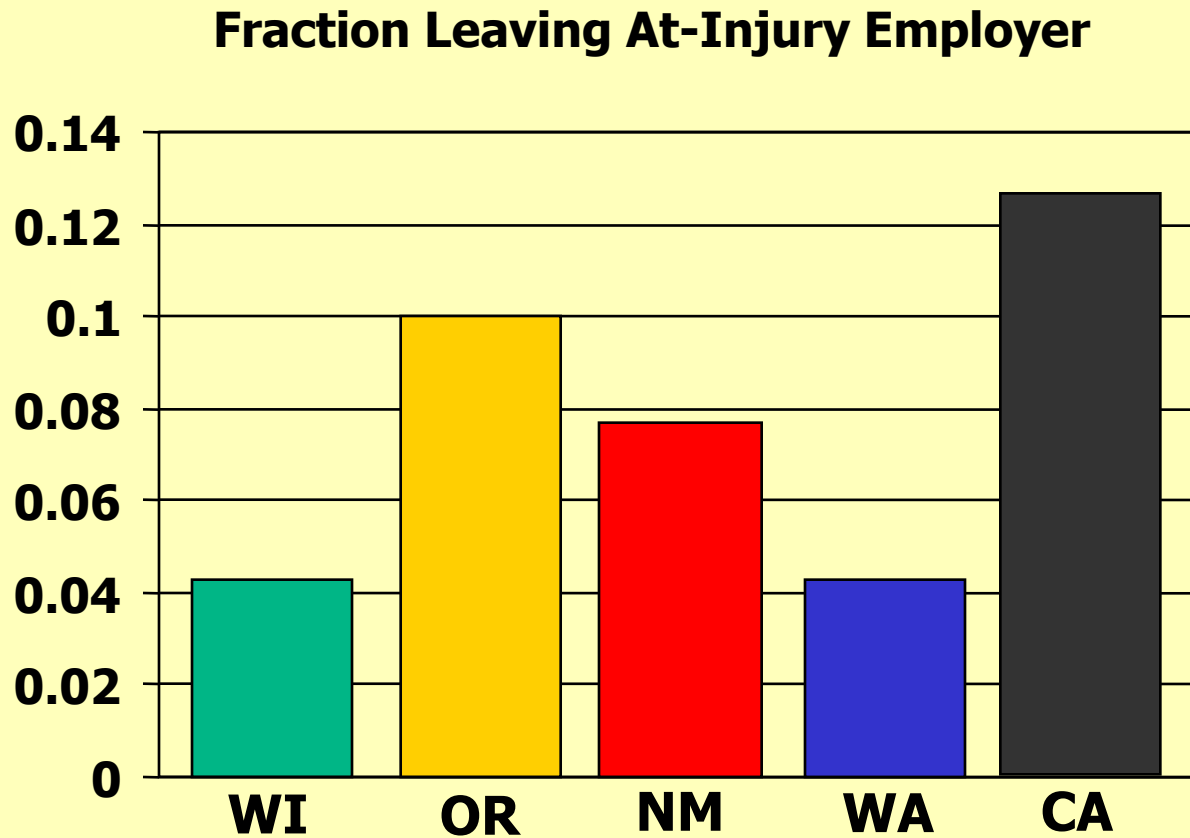


After Two Years, Injury-Related Time Out of Work Highest in NM and CA



Preliminary. Subject to Change.

California PPD Claimants More Likely to Leave At-Injury Employer



Preliminary. Subject to Change.



What Can California Learn From Other States?

- Employer obligations to rehire
- Incentives to hire injured workers
- Levels of litigation
- Programs to encourage modified work
- Two-tier benefit systems that provide incentives to return disabled workers



Conclusions

- Earnings losses for PPD claimants highest in California
- California PPD claimants have lower post-injury employment
 - Broader measures of return to work show multifaceted problem
- Examination of other states' laws can lead to policy reforms in California
- Report release scheduled for summer